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DEPT FOR EAP/MTS AND OES/ETC

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SUBJECT: INDONESIA ESTH HIGHLIGHTS: MAY - JULY 2007

11. Summary: The Ministry of Forestry (MOF) signed a letter of intent with the Zoological Parks Authority of the Government of Western Australia on May 21 to cooperate on wildlife conservation. On May 21-24, Indonesia hosted the second meeting of the ASEAN Wildlife Enforcement Network (WEN) program in Bogor. The Chief of the Indonesian Palm Oil Commission (KMSI) announced on May 2 that Indonesia would develop 1.5 million hectares of oil palm plantations over the next three years to increase palm oil production to 18 million tons. The Ministry of National Education's Director for Vocational Education announced on May 17 that the Government of Indonesia (GOI) would give scholarships to 7,000 Indonesian students to study at vocational schools in the U.S. On June 19, The World Business Council for Sustainable Development (WBCSD) granted membership to the Asia Pacific Resources International Holdings Limited (APRIL)/Riau Pulp. At a June CITES meeting, Indonesia rejected the U.S. proposal to include Banggai Cardinal Fish in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendix II, the category of trade that requires CITES monitoring. An Indonesian delegation visited Bolivia on June 4-9 to study that country's policies to combat illegal logging and implement sustainable forest management. On July 16, the Head of the Central Kalimantan Agricultural Department announced a ban on farmers' use of burning to clear land. End Summary

Indonesia and Australia Committed to Conservation

12. On May 21, the MOF signed a letter of intent with the Zoological Parks Authority of the Government of Western Australia to cooperate on wildlife conservation in the Bukit Tiga Puluh National Park in Sumatra. The activities under the letter include conservation initiatives for the Sumatran orangutan, elephants, and tigers, among other species. The program will cover such activities as the introduction of orangutans to the wild, wildlife surveys, improving the study and research of wildlife populations, and minimizing human conflicts with species such as elephants and tigers. The program will also build conservation facilities in other national park areas and improve capacity building in planning, management, research, animal health, education and public awareness, local community empowerment and eco-promotion.

Indonesia Hosts ASEAN WEN Meeting

13. On May 21-24, Indonesia hosted the second meeting of the ASEAN WEN program in Bogor. Around 100 participants from the 10 ASEAN member countries attended the meeting, as well as observers from Japan, China, Australia, the U.S., Nepal, the United Nations Office on Drugs and Crime (UNODC), the National Anti-Environment Crime Task Force (NAECTAF), the U.S. Agency for International Development (USAID), WildAid, TRAFFIC, Interpol, and the World Customs Organization (WCO) Regional Intelligence Liaison Office (RILO). ASEAN WEN is a regional program that establishes an inter-agency network of police, customs, legal, and forestry resources. ASEAN

WEN aims to combat the illegal trade of flora and fauna by developing and enhancing regional coordination, capacity building, information exchange, and law enforcement. In the meeting, Indonesia asked for support to combat illegal wildlife trade and smuggling.

Indonesia Plans New Oil Palm Plantations

14. Chief of KMSI, Rosediana Suharto, announced on May 2 that Indonesia would develop 1.5 million hectares of oil palm plantations by 2010 to increase palm oil production to 18 million tons over the next three years. The plans include 1.375 million hectares of new plantations and 125,000 hectares of replanted plantations. Suharto, former senior adviser to the Minister of Trade, added that the government and private companies would develop the new plantations outside of Java. She predicted that with the program, Indonesia could increase palm oil production by around 200,000 tons, or six percent, per year. The predicted production levels of crude palm oil are as follows:

Crude Oil Production (CPO)	
2010	18 millions tons
2020	30 millions tons
2030	50 millions tons

Source: Indonesian Chamber of Commerce and Industry

Suharto dismissed reports of Chinese and Indian investments contributing to planned oil palm plantations along the Malaysian border as exaggerated rumors.

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GOI Will Send 7,000 Vocational Students to the U.S.

15. On May 17, the Ministry of National Education's Director for Vocational Education, Joko Sutrisno, announced that the government would give scholarships to study in the U.S. to 7,000 Indonesian vocational students who passed English language and international standard vocational school exams. Vocational students from across the country are eligible to compete for the scholarships, with the government focusing on students from high tourist and investment destinations, such as Jakarta, Denpasar, Medan, Makassar, Yogyakarta, and Surabaya. The government has earmarked Rp. 1.6 trillion (\$176.6 million) for the program, out of the Rp. 43.4 trillion (\$4.7 billion) for vocational school development in 2007. The program, beginning in 2007 with a group of 600 students, is a component of the government's efforts to reduce unemployment. Sutrisno added that the ratio of vocational school graduates to high school graduates would grow to 70% versus 30% in the next three years.

APRIL/Riau Pulp Became Member of WBCSD

16. On June 19, The WBCSD granted membership to APRIL/Riau Pulp. Executive Director of WBCSD James Griffiths noted that the Council based their decision on the Indonesian company's commitment to transforming forest industry management in Indonesia. According to APRIL/Riau Pulp President A.J. Devanesan, the company supports efforts to combat illegal logging and ensures that the raw material used in their plants come from sustainable and responsible sources. APRIL/Riau Pulp has operations in China and Indonesia, where the company is the number one producer of fiber, pulp and paper.

Indonesia Refuses U.S. Proposal on Cardinal Fish in CITES

17. At a June CITES meeting, Indonesia rejected the U.S. proposal to include Banggai Cardinal Fish (Banggai/pterapogus kauderni), or BCF, in CITES Appendix II, the category of trade that requires CITES monitoring. Australia, Argentina, Japan, China, Iran, Qatar, Thailand and the Food and Agricultural Organization (FAO) supported the Indonesian position. Cardinal fish are endemic to Banggai Island (Central Sulawesi) but can thrive in other parts of the archipelago. According to the Ministry of Marine Affairs and

Fisheries' (MMAF) Director of Conservation and National Maritime Parks, Yaya Mulyana, the MMAF has developed BCF ex-situ in Bali and plans to designate Banggai Island as a Local Marine Conservation Area covering 275,836 hectares.

Indonesia and Bolivia Share Forest Management Experiences

18. On June 4-9, an Indonesian delegation visited Bolivia to study the country's policies to combat illegal logging and implement sustainable forest management. The Indonesian delegation consisted of eight representatives from the MOF, the Forest Association, the Forest and Poverty Commission Forest, the Environment Commission, The Nature Conservancy (TNC), and academia. The delegation met with key Bolivian government stakeholders, local NGOs, USAID Bolivia, and representatives from the private sector. The Nature Conservancy facilitated the visit.

Central Kalimantan Combats Use of Fire to Clear Land

19. On July 16, the Head of the Central Kalimantan Agricultural Department announced a ban on farmers' use of burning to clear land. He noted that his office also planned to offer farmers alternative land clearing technologies in an effort to stop the burning process. While local farmers supported the ban in principle, they noted that using herbicide to clear land, the most readily available alternative to burning, was prohibitively expensive, at a cost of Rp. 50,000 (\$5.56) per liter. The Head of the Sub-Office for Palm Oil in Riau noted that the fires were predominantly occurring in idle land or ex-concession areas.

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